GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:188
ANSWERED ON:24.08.2007
CLONING OF CREDIT CARDS
Bhagora Shri Mahavir

Will the Minister of FINANCE be pleased to state:

(a) the details of cases where cloning of Credit Cards has been detected during the last two years;

(b) the action taken by the Government in this regard; and

(c) the steps taken/proposed to be taken by the Government to ward-off such clonings?

Answer

FINANCE MINISTER(SHRI P.CHIDAMBARAM)

(a) to (c): A statement is laid on the table of the House.

Statement referred to in reply to Part (a), (b) & (c) of Lok Sabha Starred Question No.188 to be answered on 24th August, 2007 tabled by SHRI MAHAVIR BHAGORA regarding Cloning of Credit Cards.

(a) The number of instances of frauds and amount involved, on account of cloning of credit cards, where the amount involved is Rs. 1 lakh and above, reported by banks to Reserve Bank of India (RBI) during the year 2006 and 2007 (upto June) are as under:

Year	Number of instances	Amount involved (Rs.in Lakh)
2006	127	235.42
2007 (upto June)	61	123.11

(b) & (c) : RBI as a part of its supervisory process has been sensitizing banks from time to time about common fraud prone areas, modus operandi and the measures to be taken by them to prevent/ reduce the incidence of frauds in banks. RBI had issued guidelines to banks on credit card operations which were consolidated in a master circular dated 2nd July 2007. The banks were advised to set up internal control systems to combat frauds and to take pro-active fraud control and enforcement measures. They were also advised to ensure that credit card operations are run on sound, prudent and profitable lines and also fulfill `Know Your Customer` requirements; assess credit risk of customers; specify terms and conditions in clear and simple language; ensure prompt despatch of bills; maintain customer confidentiality; etc. RBI had also issued a circular to all commercial banks in June 2006 advising them to take preventive measures to combat cloning/skimming related frauds. The measures include educating customers through hoardings, advertisements, handouts and also posting cautionary messages on the website of card issuing banks.